



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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February 7, 2011

To: Mayor Michael D. Antonovich
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Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: William T Fujioka
Chief Executive Officer

LARGE ACQUISITION OF REPLACEMENT TRAILERS

This is to advise you that my office is working with the Internal Services Department, as the County Purchasing Agent, to proceed with the solicitation and purchase of a substantial acquisition of new office and storage trailers for the Olive View Medical Center. These trailers are an in-kind replacement of 112 storage and office trailers that were destroyed by the Sayre Fire in November 2008. The solicitations to be processed will encompass an acquisition to replace all 112 destroyed trailers for an approximate total cost of \$8 million.

BACKGROUND

Pursuant to the request of Governor Schwarzenegger, on November 18, 2008 President Bush declared a major disaster in the State of California due to the extreme high winds and wildfires in Los Angeles (Sayre Fire) and several other counties. This Presidential declaration made available, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, financial assistance to Los Angeles County for eligible repair/replacement of structures damaged by the Sayre Fire, including these trailers. Eligibility for financial assistance is a case-by-case determination made by the Federal Emergency Management Agency (FEMA) who administers the Public Assistance program.

Eligible repair/replacement work involves restoring a damaged structure to its pre-disaster design, function, and capacity as it existed at the time of the disaster. Deviation from FEMA-authorized eligible work, without prior FEMA review and approval, endangers the eligibility of the work and jeopardizes FEMA's reimbursement of costs. However, in this instance due to the changes in trailer standards (length and width),

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FEMA is allowing the County to replace the trailer types (storage and office) in any acceptable configurations that are most efficient for the County's use. The caveat is in doing so the County may not exceed the total square footage allowed by FEMA for either distinct trailer type.

FINANCING

Appropriation for the \$8 million purchases is included in the Fiscal Year 2010-11 State and Federal Disaster Aid budget. Funding for the eligible costs to replace the destroyed trailers is primarily funded by disaster assistance from FEMA (75 percent of eligible costs) and the California Emergency Management Agency (75 percent of the remaining 25 percent balance of eligible costs). The County is required to finance the remaining 6.25 percent balance (\$500,000) of the eligible costs. The Fiscal Year 2010-11 budget for the Olive View Medical Center includes financing for the County's match requirement.

CONTRACTING PROCESS

This is a commodity purchase under the statutory authority of the County's Purchasing Agent. The purchase will be requisitioned through, and accomplished by the Purchasing Agent in accordance with County Purchasing Policies and Procedures. According to the Equipment Policy that your Board adopted on October 16, 2001, County departments may, without specified prior Board approval, purchase equipment with a unit cost of under \$250,000. In this instance, the unit costs per trailer are estimated to be in a range of \$56,000 to \$80,000 per trailer, which are well within the Purchasing Agent's spending authority individually. However, since the solicitation bids that are to be processed may approximate \$8 million in total to replace the square footage of destroyed trailers, we wanted to take this opportunity to advise you of such a substantial purchase.

Should you have any questions regarding the disaster-assistance program and/or the purchase of these replacement trailers, your staff may contact either Carol Kindler at 974-1154 or Bonnie Chun at 893-1245.

WTF:SK:CK
BC:hgdrive

c: Executive Office, Board of Supervisors
County Counsel
Department of Health Services
Internal Services Department